



## DREAM UNLIMITED CORP. REPORTS THIRD QUARTER RESULTS AND CONTINUED GROWTH IN ASSET MANAGEMENT BUSINESS

*This press release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.*

**TORONTO, November 9, 2021, Dream Unlimited Corp. (TSX: DRM) (“Dream”, “the Company” or “we”)** today announced its financial results for the three and nine months ended September 30, 2021 (“third quarter”).

“We have continued to make significant progress across the Dream platform this quarter,” said Michael Cooper, Chief Responsible Officer. “By the end of the year, we expect to have a \$1.7 billion private asset management business, including the Impact Fund, U.S. Industrial Fund and two U.S. apartment funds. Our public asset management platform continues to grow, supported by Dream Industrial REIT’s high-quality acquisitions and extensive development pipeline. We are expanding our impact business through multi-family acquisitions, various developments nearing completion over the next 12 months and creative financing solutions such as Dream Impact Trust’s debentures or green loans from our lenders. With first lot sales expected at Alpine Park next quarter, which is our most valuable land holding in Western Canada, we expect 2021 to be one of our most significant years in recent memory.”

This quarter, the Company closed on the acquisition of two multi-family residential rentals, Weston Common, a two-tower, 841-unit mixed-use apartment located in Toronto’s west end and 262 Jarvis, a 71-unit Art Deco-style apartment building located near Ryerson University in Toronto. In total, the Dream group acquired 912 units for a gross purchase price of \$376 million. Dream, Dream Impact Trust and Dream Impact Fund each acquired a one-third share of the properties, which are expected to preserve and create affordable housing. Combined, the properties are 90% leased as at quarter end and we expect to commence our planned revitalization spend at 262 Jarvis in the fourth quarter and Weston Common in early 2022. We have an additional 228 multi-family units in Toronto under contract that will immediately contribute to our recurring income.

On November 1<sup>st</sup>, the Dream group of companies announced our commitment to achieving net zero greenhouse gas emissions by 2050 or sooner, as participants in the Net Zero Asset Managers initiative. In October, both Dream Office REIT and Dream Impact Trust received five-star ratings from the Global Real Estate Sustainability Benchmark (“GRESB”), with scores of 91/100 and 90/100, respectively, placing both entities in the top 20% of globally assessed companies. Dream Office REIT was also previously recognized as Canada’s largest office portfolio to be WELL Health-Safety rated by the International WELL Building Institute, with 87% of the REIT’s gross leasable area being certified. The WELL Health-Safety Certification is an evidence-based third-party verified rating for all new and existing building and space types focusing on operational policies, maintenance protocols, stakeholder engagement and emergency plans to address a post-COVID-19 environment now and into the future. The certification is designed to empower owners and operators to take the necessary steps in order to prioritize the health and safety of their staff, visitors and other stakeholders. The Dream group of companies will be releasing our Sustainability Report in the fourth quarter, which will further outline our environmental, social and governance commitments and future plans.

As of September 30, 2021, assets under management was \$13 billion, up \$4 billion year-over-year, with fee earning assets under management of \$8 billion as of quarter end. Across the Dream platform, we have another \$1.2 billion in assets under contract or in exclusivity that will add to the value of our asset management business.

On a standalone basis, book equity per share is \$29.63 and our debt to total assets ratio has increased to 36% as at September 30, 2021, primarily due to our recent acquisition of recurring income producing properties, and is in line with our expectations.

A summary of our consolidated results for the three and nine months ended September 30, 2021 is included in the table below.

<i>(in thousands of Canadian dollars, except per share amounts)</i>	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 46,066	\$ 60,485	\$ 175,800	\$ 298,984
Net margin	\$ 2,151	\$ 2,195	\$ 25,881	\$ 67,075
Net margin (%) <sup>(1)</sup>	4.7%	3.6%	14.7%	22.4%
Earnings (loss) before income taxes	\$ 34,189	\$ (6,640)	\$ 30,526	\$ 228,801
Earnings (loss) for the period <sup>(2)</sup>	\$ 34,572	\$ (4,653)	\$ 30,344	\$ 191,953
Basic earnings (loss) per share <sup>(3)</sup>	\$ 0.79	\$ (0.11)	\$ 0.68	\$ 4.01
Diluted earnings (loss) per share	\$ 0.77	\$ (0.11)	\$ 0.66	\$ 3.94

	September 30, 2021	December 31, 2020
Total assets	\$ 3,259,333	\$ 2,844,373
Total liabilities	\$ 1,893,780	\$ 1,437,761
Shareholders' equity (excluding non-controlling interest) <sup>(4)</sup>	\$ 1,365,553	\$ 1,391,646
<b>Total issued and outstanding shares</b>	<b>43,426,400</b>	<b>45,011,928</b>

<sup>(1)</sup> Net margin (%) (see the "Non-IFRS Measures" section of our Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2021) represents net margin as a percentage of revenue.

<sup>(2)</sup> Earnings (loss) for the three and nine months ended September 30, 2021 includes a gain of \$17.9 million and a loss of \$21.2 million, respectively, on Dream Impact Trust units held by other unitholders (three and nine months ended September 30, 2020 – loss of \$10.9 million and a gain of \$137.9 million, respectively). Refer to the "Additional Information – Consolidated Dream" section of our MD&A for results on a Dream standalone basis.

<sup>(3)</sup> Basic earnings (loss) per share is computed by dividing Dream's earnings attributable to owners of the parent by the weighted average number of Class A subordinate voting shares ("Subordinate Voting Shares") and Class B common shares ("Class B Shares") outstanding during the period. Refer to Management's discussion below on consolidated results for the three and nine months ended September 30, 2021.

<sup>(4)</sup> Shareholders' equity (excluding non-controlling interest) excludes \$15.0 million of non-controlling interest as at December 31, 2020.

Earnings before income taxes after adjusting for fair value losses taken on Dream Impact Trust units held by other unitholders for the three months ended September 30, 2021 was \$16.3 million, an increase of \$12.0 million relative to the prior year. The change is primarily due to higher earnings through the Company's equity accounted investments, inclusive of Dream Office REIT, partially offset by one-time transaction costs related to the acquisition of investment properties.

Earnings before income taxes after adjusting for fair value losses taken on Dream Impact Trust units held by other unitholders for the nine months ended September 30, 2021 was \$51.8 million, down from \$90.9 million in the prior year. Prior year pre-tax earnings were primarily driven by the gain on sale of our renewable power portfolio, the sale of 480 acres in Glacier Ridge and occupancies at our Canary Block, Riverside Square, BT Towns and Zibi developments. The impact of these transactions was partially offset in the current year by the aforementioned earnings from Dream Office REIT, in addition to our growing asset management base and improved results from Arapahoe Basin.

#### Highlights: Recurring Income

- In the third quarter, revenue and net operating income derived from recurring income sources increased by \$4.9 million and \$3.3 million, respectively, from the comparative period, due to higher earnings from our asset management platform and an increase in summer visitors at Arapahoe Basin.
- In July, we closed on a private open-ended U.S. Industrial Fund with Dream Industrial REIT and a group of institutional investors. The fund was seeded with 18 of Dream Industrial REIT's assets, with the REIT's remaining U.S. assets expected to be sold to the fund by the end of the year.
- Included in revenue for the third quarter was \$5.9 million relating to asset management and development management contracts with Dream Industrial REIT, Dream Office REIT, our private asset management business and our development partnerships, up from \$3.6 million in the comparative period. We continue to execute on Dream Industrial REIT's expansion strategy and have closed on over \$1.9 billion of acquisitions year-to-date, with an additional \$0.6 billion under contract or in exclusivity.
- Gladstone House, a historic boutique hotel in Toronto, opened to the public on September 23, 2021. The hotel features artwork from local artists in its 55 guestrooms, dining and bar venues and surrounding public space.
- In 2021 we marked the first summer that Arapahoe Basin was open 7 days a week, with visitors enjoying our Aerial Adventure Park, the Via Ferrata climbing course, various hiking and biking trails, disc golf, events and specialty dining. On October 17, 2021, Arapahoe Basin opened for the 2021/2022 winter ski and snowboard season, with season passes over 90% sold.
- Results for the third quarter include \$29.8 million in equity earnings on our 32% interest in Dream Office REIT, up \$21.3 million over the comparative period. Improved results were driven by fair value gains at Dream Office REIT and through the REIT's 10.5% interest in Dream Industrial REIT, in addition to increased operating income at Dream Industrial REIT from recent acquisitions.
- In 2018, the Company and Dream Office REIT took a combined 50% stake in Alate, a vehicle specializing in real estate technology investments. To date we have invested US\$13.2 million to fund 12 investments. On October 19, 2021, Lane Technologies Inc., the developers of a tenant experience app, entered into an agreement to be acquired by VTS at a significant premium to cost. The investment vehicle has generated an IRR of over 40% since inception and is currently exploring raising outside capital. We anticipate retaining a combined 50% interest in the managing GP and to receive fees from managing the investment vehicle.
- Across the Dream group platform, which includes assets held through the Company, Dream Impact Trust, Dream Impact Fund and Dream Office REIT, we have over 3,000 units and 9.5 million sf of gross leasable area in stabilized rental, retail and commercial properties, in

addition to our recreational properties. As at November 8, 2021, the Company had a 28% interest in Dream Impact Trust and a 33% interest in Dream Office REIT.

#### **Highlights: Development**

- In the three months ended September 30, 2021, we generated revenue of \$24.9 million and minimal net margin compared to revenue of \$44.3 million and net margin of \$3.6 million in the comparative period. The comparative results included acre sales in Western Canada and condominium occupancies at Kanaal at Zibi with no comparable activity this quarter.
- Included in the results for the third quarter is \$2.0 million in fair value gains relating to our 17% interest in St. Clair Crossing, a 25,000 sf retail development at the intersection of Jane Street and St. Clair Avenue in Toronto. We have entered into a firm agreement to sell the retail centre for \$20 million (at 100%), representing an IRR to Dream of nearly 50%.
- We achieved 269 lot sales and 83 housing occupancies year-to-date, up from 171 lot sales and 82 housing occupancies in the comparative period. As of November 8, 2021, we have secured commitments for an additional 638 lots, 8 acres and 31 houses across our communities in Saskatchewan and Alberta that we expect to contribute to earnings in the fourth quarter, with a further 382 lots and 33 housing sales secured for 2022.
- Aalto Suites (Zibi Block 10) is a 15-storey building located in downtown Gatineau along the shores of the Ottawa River and features 162 residential rental units. Zibi's District Energy System, which will heat and cool all 4 million sf of the development's residential and commercial buildings, connects at the base of Aalto Suites, making this building the cornerstone of the community's net zero ambitions. Occupancies at Aalto Suites are expected to commence in December 2021.
- Subsequent to the quarter end, Canary Block 10, the Company's interest in the Indigenous Hub, secured \$189 million in green loans with first draw expected in the fourth quarter. The proceeds of the construction loans will be applied toward achieving, at a minimum, a LEED Gold-level certification, classifying them as Dream's first green loans supporting environmentally sustainable economic activity.
- Across the Dream group platform, we have approximately 4.6 million sf of GLA in retail or commercial properties and nearly 21,000 condominium or purpose-built rental units (at the project level) in our development pipeline. For further details on our development pipeline, refer to the "Summary of Dream's Assets & Holdings" section of our MD&A.

#### **Share Capital & Return to Shareholders**

- In the nine months ended September 30, 2021, 1.7 million Subordinate Voting Shares were purchased for cancellation by the Company at an average price of \$22.88 under a normal course issuer bid ("NCIB") for total proceeds of \$39.6 million (year ended December 31, 2020 - 7.7 million Subordinate Voting Shares at an average price of \$22.07, inclusive of 5.0 million Subordinate Voting Shares purchased for cancellation under a substantial issuer bid). Subsequent to quarter end, 0.5 million Subordinate Voting Shares were purchased for cancellation by the Company under the NCIB at an average price of \$29.98.
- Dividends of \$3.1 million and \$9.2 million were declared and paid on its Subordinate Voting Shares and Class B Shares in the three and nine months ended September 30, 2021, respectively (three and nine months ended September 30, 2020 - \$2.8 million and \$8.4 million, respectively).
- On November 9, 2021, the Company's board of directors approved an increase to the annual dividend from \$0.28 to \$0.40 per Subordinate Voting Share and Class B Share, effective with the dividend payable to shareholders on December 31, 2021.

Select financial operating metrics for Dream's segments for the three and nine months ended September 30, 2021 are summarized in the table below.

<b>Three months ended September 30, 2021</b>							
<i>(in thousands of dollars except outstanding share and per share amounts)</i>	<b>Recurring income</b>		<b>Development</b>		<b>Corporate and other</b>		<b>Total</b>
Revenue	\$	21,176	\$	24,890	\$	—	\$ 46,066
% of total revenue		46.0%		54.0%		—%	100.0%
Net margin	\$	2,130	\$	21	\$	—	\$ 2,151
Net margin (%) <sup>(1)</sup>		10.1%		0.1%		n/a	4.7%

<b>Nine months ended September 30, 2021</b>							
<i>(in thousands of dollars except outstanding share and per share amounts)</i>	<b>Recurring income</b>		<b>Development</b>		<b>Corporate and other</b>		<b>Total</b>
Revenue	\$	80,883	\$	94,917	\$	—	\$ 175,800
% of total revenue		46.0%		54.0%		—%	100.0%
Net margin	\$	25,506	\$	375	\$	—	\$ 25,881
Net margin (%) <sup>(1)</sup>		31.5%		0.4%		n/a	14.7%

<b>As at September 30, 2021</b>							
Segment assets	\$	1,614,144	\$	1,560,386	\$	84,803	\$ 3,259,333
Segment liabilities	\$	619,082	\$	519,041	\$	755,657	\$ 1,893,780
Segment shareholders' equity	\$	995,062	\$	1,041,345	\$	(670,854)	\$ 1,365,553
Shareholders' equity per share <sup>(2)</sup>	\$	22.91	\$	23.98	\$	(15.44)	\$ 31.45

<b>Three months ended September 31, 2020</b>							
<i>(in thousands of dollars except outstanding share and per share amounts)</i>	<b>Recurring income</b>		<b>Development</b>		<b>Corporate and other</b>		<b>Total</b>
Revenue	\$	16,231	\$	44,254	\$	—	\$ 60,485
% of total revenue		26.8%		73.2%		—%	100.0%
Net margin	\$	(1,407)	\$	3,602	\$	—	\$ 2,195
Net margin (%) <sup>(1)</sup>		n/a		8.1%		n/a	3.6%

<b>Nine months ended September 31, 2020</b>							
<i>(in thousands of dollars except outstanding share and per share amounts)</i>	<b>Recurring income</b>		<b>Development</b>		<b>Corporate and other</b>		<b>Total</b>
Revenue	\$	72,471	\$	266,513	\$	—	\$ 298,984
% of total revenue		24.2%		75.8%		—%	100.0%
Net margin	\$	16,040	\$	51,035	\$	—	\$ 67,075
Net margin (%) <sup>(1)</sup>		22.1%		22.5%		n/a	22.4%

<b>As at December 31, 2020</b>							
Segment assets	\$	1,118,871	\$	1,560,924	\$	164,578	\$ 2,844,373
Segment liabilities	\$	313,274	\$	452,100	\$	672,387	\$ 1,437,761
Segment shareholders' equity	\$	805,597	\$	1,093,858	\$	(507,809)	\$ 1,391,646
Shareholders' equity per share <sup>(2)</sup>	\$	17.90	\$	24.30	\$	(11.28)	\$ 30.92

<sup>(1)</sup> Net margin (%) is a non-IFRS measure. Refer to the "Non-IFRS Measures" section of our MD&A for further details.

<sup>(2)</sup> Shareholders' equity per share represents shareholders' equity divided by total number of share outstanding at period end.

## Other Information

Information appearing in this press release is a select summary of results. The financial statements and MD&A for the Company are available at [www.dream.ca](http://www.dream.ca) and on [www.sedar.com](http://www.sedar.com).

### About Dream Unlimited Corp.

Dream is a leading developer of exceptional office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established and successful asset management business, inclusive of \$13 billion of assets under management across three Toronto Stock Exchange ("TSX") listed trusts, our private asset management business and numerous partnerships. We also develop land and residential assets in Western Canada. Dream expects to generate more recurring income in the future as its urban development properties are completed and held for the long term. Dream has a proven track record for being innovative and for our ability to source, structure and execute on compelling investment opportunities. A comprehensive overview of our holdings is included in the "Summary of Dream's Assets and Holdings" section of our MD&A.

### Dream Unlimited Corp.

Deb Starkman  
Chief Financial Officer  
(416) 365-4124  
[dstarkman@dream.ca](mailto:dstarkman@dream.ca)

Kim Lefever  
Director, Investor Relations  
(416) 365-6339  
[klefever@dream.ca](mailto:klefever@dream.ca)

### Non-IFRS Measures

*Dream's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, Dream discloses and discusses certain non-IFRS financial measures, including: net margin %, assets under management, fee earning assets under management, book equity per share, Dream standalone, net operating income and debt to total assets ratio, as well as other measures discussed elsewhere in this release. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Dream has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to comparable metrics determined in accordance with IFRS as indicators of Dream's performance, liquidity, cash flow and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-IFRS Measures" section in Dream's MD&A for the three and nine months ended September 30, 2021.*

### Forward-Looking Information

*This press release may contain forward-looking information within the meaning of applicable securities legislation, including, but not limited to, statements regarding our objectives and strategies to achieve those objectives; our beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth, expected net proceeds from sales or transactions, results of operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, vacancy and leasing assumptions, litigation and the real estate industry in general; as well as specific statements in respect of our development plans and proposals for current and future projects, including projected sizes, density, timelines, uses and tenants; anticipated current and future unit sales and occupancies of our condominium and mixed-use projects, including anticipated timing of closings of condominium unit sales, and resulting revenue; expectations of future profit contributions from Western Canada; our acquisition and development pipeline; the District Thermal Energy System providing net-zero heating and cooling for all tenants, residents and visitors at Zibi; expectations that our private equity portfolio will grow in 2021; expectations regarding the sale of assets; the creation of affordable housing in connection with our investments in 262 Jarvis and Weston Common; expectations regarding Alate's future capital raising, our interest in the venture and for income to be earned in future periods; the expectation that our income generating assets will grow over time; our expected sources of funding of current liabilities, including the availability of green loans and debentures; the application of proceeds of construction loans; the timing of our sustainability report; expectations regarding our reduction of greenhouse gas emissions; the anticipated sale of Dream Industrial REIT's remaining U.S. assets to a U.S. industrial fund; and our overall financial performance, profitability and liquidity for future periods and years. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dream's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These assumptions include, but are not limited to: the nature of development lands held and the development potential of such lands, our ability to bring new developments to market, anticipated positive general economic and business conditions, including low unemployment and interest rates, positive net migration, oil and gas commodity prices, our business strategy, including geographic focus, anticipated sales volumes, performance of our underlying business segments and conditions in the Western Canada land and housing markets. Risks and uncertainties include, but are not limited to, general and local economic and business conditions, the impact of the COVID-19 pandemic on the Company and uncertainties surrounding the COVID-19 pandemic, including government measures to contain the COVID-19 pandemic employment levels, regulatory risks, mortgage rates and regulations, environmental risks, consumer confidence, seasonality, adverse weather conditions, reliance on key clients and personnel and competition. All forward-looking information in this press release speaks as of November 9, 2021. Dream does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required by law. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR ([www.sedar.com](http://www.sedar.com)).*